

RECORDATION NO. 18763

APR 7 - 1994 - 2 30 PM

McGUIRE WOODS
BATTLE & BOOTHE

INTERSTATE COMMERCE COMMISSION

Transpotomac Plaza
Suite 1000, 1199 North Fairfax Street
Alexandria, VA 22314-1437

The Blaustein Building
One North Charles Street
Baltimore, MD 21201-3793

Court Square Building
P.O. Box 1288
Charlottesville, VA 22902-1288

8280 Greensboro Drive
Suite 900, Tysons Corner
McLean, VA 22102-3892

One James Center
901 East Cary Street
Richmond, Virginia 23219-4030

Phone: (804) 775-1000 (Voice/TDD)
Fax: (804) 775-1061

April 7, 1994

World Trade Center
Suite 9000, 101 West Main Street
Norfolk, VA 23510-1655

The Army and Navy Club Building
1627 Eye Street, N.W.
Washington, DC 20006-4007

250 Avenue Louise, Bte. 64
1050 Brussels, Belgium

associated office:
P.O. Box 4930
Bahnhofstrasse 3
8022 Zurich, Switzerland

0100175039

Office of the Secretary
Interstate Commerce Commission
Twelfth Street and
Constitution Avenue, N.W.
Recordation Unit
Room 2303
Washington, D.C. 20423

RECORDATION NO. 18763-A

APR 7 1994 - 2 30 PM

INTERSTATE COMMERCE COMMISSION

LICENSING BRANCH

APR 7 2 23 PM '94

RECEIVED
OFFICE OF THE
SECRETARY

Letter of Transmittal

Dear Secretary:

I enclose an original and one counterpart of each of the documents described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

The first document to be recorded is a Master Equipment Lease/Purchase Agreement (the "Primary Document") dated April 8, 1994. The second document to be recorded is an Assignment Agreement (the "Secondary Document") dated April 8, 1994. We request that the Secondary Document be indexed separately under the following name: LaSalle National Bank, 181 W. Madison Street Room 410, Chicago, Illinois 60602.

The names and addresses of the parties to the Primary Document and the Secondary Document, as applicable, are as follows:

I. Primary Document.

Lessor: Signet Leasing and Financial Corporation

Address: 7 Saint Paul Street
P. O. Box 2373
Baltimore, Maryland 21203
Attn: Laurie L. Zissimos, Vice President

Steve Willen

Counterparts

Lessee: Northern Virginia Transportation
District Commission

Address: 4350 North Fairfax Drive
Suite 720
Arlington, Virginia 22203

Lessee: Potomac and Rappahannock Transportation
District Commission

Address: 1519 Davis Ford Road
Suite 1
Woodbridge, Virginia 22192

II. Secondary Document

Assignor: Signet Leasing and Financial Corporation

Address: 7 Saint Paul Street
P. O. Box 2373
Baltimore, Maryland 21203
Attn: Laurie L. Zissimos, Vice President

Assignee: LaSalle National Bank

Address: 181 W. Madison Street
Room 410
Chicago, Illinois 60602

A description of the equipment covered by each the Primary Document and the Secondary Document is as follows:

Two rebuilt 3,000 horsepower Electromotive Division of General Motors Corporation diesel-electric locomotives (which have been rebuilt by Morrison Knudsen Corporation and designated thereby as the model GP40PH-2), Locomotive Nos. V20 and V21, respectively, Unit Type RP40-2C, Builder No. 65001 and 65002, respectively, both bearing the identifying mark: "Virginia Railway Express"

A fee of \$18.00 is enclosed. Please return the original and any extra copies of each of the Primary Document and the Secondary Document, not needed by the Commission for recordation, to Arthur E. Anderson II, Esquire, McGuire, Woods, Battle & Boothe, 901 East Cary Street, One James Center, Richmond, Virginia 23219, telephone number: (804) 775-4366.

Office of the Secretary
April 7, 1994
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A short summary of each the Primary Document and the Secondary Document to appear in the index follows:

Primary Document:

Master Equipment Lease/Purchase Agreement among Signet Leasing and Financial Corporation, P. O. Box 2373, Baltimore, Maryland 21203, Attn: Laurie L. Zissimos T0506, Northern Virginia Transportation District Commission, 4350 North Fairfax Drive, Suite 720, Arlington, Virginia 22203 and Potomac and Rappahannock Transportation District Commission, 1519 Davis Ford Road, Suite 1, Woodbridge, Virginia 22192, dated April 8, 1994 and covering, among other things, two rebuilt diesel-electric locomotives, both marked "Virginia Railway Express".

Secondary Document:

An Assignment Agreement between Signet Leasing and Financial Corporation, P. O. Box 2373, Baltimore, Maryland 21203, Attn: Laurie L. Zissimos T0506 and LaSalle National Bank, 410 - 17th Street, Suite 2080, Denver, Colorado 80202, dated April 8, 1994 and covering, among other things, two rebuilt diesel-electric locomotives, both marked "Virginia Railway Express", and connected to the Master Equipment Lease/Purchase Agreement among Signet Leasing and Financial Corporation, the Northern Virginia Transportation District Commission and the Potomac and Rappahannock Transportation District Commission to be recorded.

Very truly yours,


Arthur E. Anderson, II

Office of the Secretary
April 7, 1994
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bcc: Laurie L. Zissimos
Edward J. Barber

Interstate Commerce Commission

Washington, D.C. 20423

April 7, 1994

OFFICE OF THE SECRETARY

**Arthur E. Anderson, III
McGuire Wood Battle & Boothe
One James Center
901 East Cary Street
Richmond Virginia 23219-4030**

Dear Mr. Anderson:

The enclosed document(s) was recorded pursuant to the provisions
of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303,
on 4-7-94 at 2:30PM, and assigned
recording number(s). 18763 and 18763-A

Sincerely yours,

Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

18763
APR 7 1994 - 2 30 PM

No. 3 of 6 Originals

INTERSTATE COMMERCE COMMISSION

MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT

THIS MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT (the "Agreement") is dated as of April 8, 1994 and entered into between SIGNET LEASING AND FINANCIAL CORPORATION ("Lessor"), and NORTHERN VIRGINIA TRANSPORTATION DISTRICT COMMISSION AND POTOMAC AND RAPPAHANNOCK TRANSPORTATION DISTRICT COMMISSION, (collectively, the "Lessee").

RECITALS

A. Lessor desires to lease the Equipment, as hereinafter defined, to Lessee and Lessee desires to lease the Equipment from Lessor, subject to the terms and conditions of and for the purposes set forth in this Agreement.

B. Lessee is authorized under the Constitution and laws of the Commonwealth of Virginia (the "Commonwealth ") to enter into this Agreement for the purposes and subject to the conditions set forth herein.

C. This Agreement shall be implemented through one or more series of Acceptance Certificates, Schedules of Payments and related documents with each series of the foregoing constituting a single transaction subject to and entered into pursuant to this Agreement.

NOW THEREFORE, in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereby agree as follows:

ARTICLE I

Section 1.01. Lessee represents, covenants and warrants to Lessor as follows:

(a) Lessee is created by Chapter 630 of the Assembly of 1964, as amended, with the powers granted by the Transportation District Act of 1964, Chapter 32, Title 15.1, Code of Virginia of 1950, as amended ("Act") and is a political subdivision within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended, (the "Code") and will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as such.

(b) Lessee is authorized under the Act and laws of the Commonwealth to enter into this Agreement and the transactions contemplated hereby and to perform all of its obligations hereunder.

(c) The execution and delivery of this Agreement by or on behalf of Lessee has been duly authorized by all necessary action of the governing body of Lessee, and Lessee has obtained such other approvals and consents as are necessary to consummate this Agreement. Lessee further represents, covenants and warrants that all requirements have been met and procedures have been followed in order to ensure the enforceability of this Agreement.

(d) Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the acquisition of the Equipment hereunder.

(e) Lessee shall cause to be executed and delivered to Lessee an opinion of its counsel and an incumbency certificate in form and substance satisfactory to Lessor.

(f) Lessee has an immediate need for, and expects to make immediate use of, all of the Equipment, which need is not temporary or expected to diminish during the term of this Agreement.

(g) The execution, delivery and performance of this Agreement and transactions contemplated herein will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of, or constitute a default under, any indenture, mortgage, deed of trust, bond, loan or credit agreement or other instrument to which Lessee is a party or by which it is bound.

(h) There are no actions, suits or proceedings pending or, to the knowledge of Lessee, threatened against or affecting Lessee in any court or before any governmental commission, board or authority which, if adversely determined, would have a material adverse effect on the ability of Lessee to perform its obligations hereunder.

(i) The Equipment is essential to and will be used only for the purpose of performing one or more governmental functions of Lessee consistent with the scope of Lessee's authority and will not be used in a trade or business of any person or entity. Lessee shall execute and deliver to Lessor an Essential Use letter in substantially the form attached hereto.

(j) The Equipment is, and shall remain during the Term of this Agreement, personal property.

(k) Lessee will promptly and duly execute and deliver to Lessor such further documents, instruments and assurances and take such further action as Lessor may from time to time reasonably request in order to carry out the intent and purpose of this Agreement and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder.

ARTICLE II

DEFINITIONS; IMPLEMENTATION

Section 2.01. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Acceptance Certificate" is the document, substantially in the form attached, which shall be executed and delivered to Lessor as evidence of the acceptance of the Equipment by Lessee and the date thereof.

"Agreement" means this Master Equipment Lease/Purchase Agreement including the documents attached hereto.

"Commencement Date" is the date when the Lessee delivers an executed Acceptance Certificate to Lessor or the date when Lessor deposits the anticipated acquisition price of the Equipment in an escrow fund, whichever occurs first.

"Equipment" means the personal property consisting of equipment described in the Description of Equipment, Essential Use Letter and one or more Acceptance Certificates executed by Lessee and delivered to Lessor, or to be executed and delivered, pursuant hereto, together with any and all additions, modifications, attachments, accessions, substitutions, replacements and parts thereof.

"Purchase Price" shall mean the amount which Lessee can pay to Lessor to acquire the Equipment outright on a payment date for Rental Payments, as set forth on the Schedule of Payments executed by Lessee and applicable to such Equipment.

"Rental Payments" means the basic payments payable by Lessee pursuant to the provisions of this Agreement during the Term which are payable in consideration of Lessor permitting the Lessee to use the Equipment and by which Lessee is acquiring ownership of the Equipment. Rental Payments shall be payable by Lessee to the Lessor in the amounts and at the times during the Term set forth in the Schedule of Payments.

"Schedule of Payments" means the document(s) substantially in the form attached which shall set forth the terms and provisions of Lessee's payment obligation with respect to the Equipment and which shall include an amortization table showing the principal and interest component of each such payments.

"Term" means the term provided for in this Agreement under Section 3.01.

"Vendor" means the manufacturer of the Equipment as well as the agents or dealers of the manufacturer from whom Lessor purchased or will purchase the Equipment.

2.02. Implementation of Escrow Funded Transaction. Escrow funded transactions entered into hereunder shall be implemented by Lessee executing and delivering to Lessor (a) a Schedule of Payments; (b) an Escrow Agreement; and (c) upon acceptance of the Equipment, an Acceptance Certificate with respect thereto.

2.03. Implementation of Non-Escrow Funded Transactions. Non-escrow funded transactions entered into hereunder shall be implemented by Lessee executing and delivering to Lessor, upon acceptance of the Equipment, an Acceptance Certificate with respect thereto to which shall be attached the related Schedule of Payments.

2.04 General. Each transaction implemented and entered into hereunder shall be deemed to be a separate and distinct legal and binding obligation of Lessee with this Agreement being applicable thereto independent of additional transactions which may be entered into by Lessor and Lessee hereunder.

ARTICLE III

TERM

Section 3.01. Term of Agreement. This Agreement shall be effective as of the date of execution hereof and shall remain in effect until Lessee has paid all Rental Payments and other amounts due hereunder, subject to Section 3.02 below.

Section 3.02. Termination of Term. The Term will terminate upon the earliest of any of the following events:

- (a) the nonappropriation of funds and termination of this Agreement pursuant to Section 5.06;
- (b) the exercise by Lessee of the option to purchase the Equipment under the provisions of Article VIII or X of this Agreement;
- (c) a default by Lessee and Lessor's election to terminate this Agreement under Article XII; or
- (d) the payment by Lessee of all Rental Payments and all other sums required to be paid by Lessee hereunder.

ARTICLE IV

ENJOYMENT OF EQUIPMENT

Section 4.01. Quiet Enjoyment. So long as Lessee is not in default hereunder, as to claims of Lessor or persons claiming under Lessor, Lessor hereby covenants that Lessee shall peaceably and quietly have, hold, possess, use, and enjoy the Equipment, without suit, trouble or hindrance from Lessor, subject to the terms and provisions hereof. Lessor shall have the right at all reasonable times during business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

ARTICLE V

RENTAL PAYMENTS

Section 5.01. Rental Payments Not to Constitute a Full Faith and Credit Obligation of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments hereunder constitutes a current expense of Lessee subject to annual appropriation and it is not the intent to make a legally binding commitment beyond the fiscal year for which an appropriation is made. The obligations created in this Agreement are not a pledge of the full faith and credit or the general tax revenues, funds or monies of Lessee.

Section 5.02. Payment of Rental Payments. Lessee shall pay Rental Payments exclusively from legally available funds in lawful money of the United States of America to Lessor at the address set forth on the execution page hereof in the amounts and on the dates set forth in the Schedule of Payments.

Section 5.03. Interest and Principal Components. As set forth on the Schedule of Payments, a portion of each Rental Payment is paid as, and represents payment of, interest and the balance is paid as, and represents payment of, principal.

Section 5.04. Rental Payments to be Unconditional. The obligation of Lessee to make payment of the Rental Payments required under this Article V and to perform and observe the other covenants and

agreements contained herein shall be absolute and unconditional in all events except as expressly provided under this Agreement. Notwithstanding any dispute between Lessee and Lessor, any Vendor or any other person, or any defects, breakdowns or malfunctions in the Equipment, Lessee shall pay all Rental Payments when due and shall not withhold any Rental Payments or assert any right of set-off or counterclaim against its obligation to make any payments under this Agreement. Lessee's obligation to make Rental Payments shall not be abated through accident or unforeseen circumstances.

Section 5.05. Continuation of Term by Lessee. Lessee intends, subject to the provisions of Section 5.06, to pay all Rental Payments hereunder and reasonably believes that legally available funds in an amount sufficient to pay all Rental Payments during the Term will be available. Lessee further intends and hereby covenants, to do all things lawfully within its power to obtain and maintain funds from which all Rental Payments and payments for all necessary insurance and maintenance on the Equipment may be made, including making provision in each budget submitted and recommended for adoption in accordance with the law, using its bona fide best efforts to have such a portion of the budget approved, and exhausting all available administrative reviews and appeals in the event such portion of the budget is not approved.

Section 5.06. Nonappropriation. In the event that during any fiscal year of Lessee sufficient funds are not appropriated for the payment of all Rental Payments required to be paid during Lessee's next succeeding fiscal year, then Lessee may terminate this Agreement as of the end of its then current fiscal year and shall not be obligated to pay the Rental Payments beyond such fiscal year. Lessee agrees to give Lessor written notice of such termination at least sixty (60) days prior to the end of the then current fiscal year or, if nonappropriation has not occurred by that date, immediately upon nonappropriation. If this Agreement is terminated under this Section 5.06, Lessee agrees peaceably to (a) at Lessor's request, store the Equipment for a period of 180 days in an area that is safe and secure at Lessee's sole risk, cost and expense and (b) deliver the Equipment to Lessor, to such location on a connecting active railroad line within the continental United States designated by Lessor, at Lessee's sole cost and expense and in the condition required by Section 7.01 hereof, together with such documents and assurances as Lessor may reasonably request.

Section 5.07. Nonsubstitution. Except as required by law or public policy, Lessee agrees that in the event that it terminates this Agreement pursuant to Section 5.06, it will not, during its next succeeding fiscal year, expend or commit any funds for the purchase or use of other equipment performing functions or having a purpose similar to the Equipment.

ARTICLE VI

TITLE TO EQUIPMENT: SECURITY INTEREST

Section 6.01. Title to the Equipment. During the Term of this Agreement, title to the Equipment shall rest in Lessee subject to the rights of Lessor under this Agreement. Immediately upon the occurrence of an event of default by Lessee hereunder or the termination of this Agreement under Section 3.02(a) or (c), title to the Equipment shall revert to Lessor, free and clear of any right, title or interest of Lessee, without the necessity of any further action by the parties. In the event that title reverts to Lessor as described above, Lessee shall peaceably deliver the Equipment to Lessor at any location within fifty (50) miles of the City of Baltimore, Maryland designated by Lessor, at Lessee's sole cost and expense and in the

condition required by Section 7.01 hereof, together with such documents and assurances as Lessor may reasonably request.

Section 6.02. Security Interest. To secure all obligations of Lessee hereunder, Lessee hereby grants to Lessor a security interest in and to all of Lessee's right, title and interest in and to the Equipment including substitutions and replacements thereof or thereto, and all proceeds (cash and non-cash), including the proceeds of insurance, thereof. Lessee agrees to provide such identification markings on the Equipment, in form satisfactory to Lessor, as Lessor deems necessary or appropriate to give notice of Lessor's security interest in the Equipment and, upon assignment, the interest of any assignee of Lessor in the Equipment. In the case of escrow funded transactions, as further security Lessee hereby grants to Lessor a first priority security interest in the cash and negotiable instruments from time to time comprising the Escrow Fund (as such term is defined in that certain Escrow Agreement by and among Lessor, Lessee and the financial institution acting as escrow agent dated as of the date hereof) and all proceeds (cash and non-cash) thereof. Lessee further agrees that with respect to the Equipment and, if applicable, the Escrow Fund, Lessor shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as in effect in the State.

Section 6.03. Personal Property. The Equipment is, and shall at all times remain, personal property.

Section 6.04. Liens. Lessee shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, security interest, encumbrance or claim on or with respect to the Equipment or any interest therein or, if applicable, the Escrow Fund.

ARTICLE VII

MAINTENANCE; TAXES; INSURANCE; MODIFICATIONS; LOCATION;

Section 7.01. Maintenance of Equipment by Lessee. Lessee agrees that at all times during the Term, Lessee will, at its own cost and expense, preserve and keep the Equipment in good repair, working order and condition which condition will at a minimum be a condition comparable to the condition at initial delivery by Lessee subject to normal wear and tear, and in compliance with the standard of similar equipment operating on a Class I railroad. Lessee will from time to time make or cause to be made all necessary and proper repairs and replacements, and will not segregate or discriminate against the Equipment in regard to maintenance and operation from equipment acquired by Lessee through means other than the Agreement. Lessor shall have no responsibility in any of these matters or for the making of improvements or additions to the Equipment. Lessee will, at its sole cost and expense, provide a maintenance contract for the Equipment with such appropriate party as the Lessee shall select during the Term hereof and provide a copy of such contract to Lessor. Lessor and Lessee mutually understand and agree that maintenance of the Equipment by the National Railroad Passenger Corporation, the provider of maintenance as of the date of this Agreement, shall be acceptable for purposes of this Agreement.

Section 7.02. Taxes, Other Governmental Charges and Utility Charges. The parties to this Agreement contemplate that the Equipment will be used for a governmental purpose of Lessee and,

therefore, that the Equipment will be exempt from all taxes presently assessed and levied with respect to personal property. In the event that the use, possession or acquisition of the Equipment is found to be subject to taxation in any form (except for net income taxes of Lessor), Lessee will pay during the Term, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Equipment, together with any interest or penalty thereon, as well as all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment. With respect to any governmental charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as are accrued during such time as this Agreement is in effect.

Section 7.03. Insurance. Lessee shall cause casualty, public liability and property damage insurance to be carried and maintained with respect to the Equipment to protect Lessor from liability in all events. All insurance proceeds from casualty losses shall be payable as hereinafter provided. Lessee shall, at Lessor's request, furnish to Lessor certificates evidencing such coverage throughout the Term. With Lessor's prior consent, Lessee may self-insure the Equipment by means of an adequate insurance fund set aside and maintained for that purpose which must be fully described in a letter delivered to Lessor.

Lessee shall carry worker's compensation insurance covering all employees working on, in, near, or about the Equipment, or demonstrate to the satisfaction of Lessor that adequate self-insurance is provided, and shall require any other person or entity working on, in, near or about the Equipment to carry such coverage throughout the Term.

All insurance policies required pursuant hereto shall be so written or endorsed as to make losses, if any, payable to Lessee and Lessor, or its assignees, as their respective interests may appear, shall name Lessor and its assignees as additional insureds, and shall be in form and amount and with insurance companies reasonably satisfactory to Lessor. Each insurer shall agree, by endorsement upon the policy or policies issued by it or by independent instrument furnished to Lessor, that (a) it will give Lessor thirty (30) days' prior written notice of the effective date of any material alteration or cancellation of such policy; and (b) insurance as to the interest of any named additional insured or loss payee other than Lessee shall not be invalidated by any actions, inactions, breach of warranty or conditions or negligence of Lessee with respect to such policy or policies. The Net Proceeds (as defined in Section 8.01) of the insurance required in this Section 7.03 shall be applied as provided in Section 8.01 and 8.02 hereof.

In the event Lessee shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep the Equipment in good repair and operating condition, after thirty (30) days notice in writing to the Lessee, Lessor may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums therefor or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced by Lessor shall be payable on the next succeeding Rental Payment due date together with interest thereon from the date of advance by Lessor at the rate of 15% per annum (or, if such rate is in excess of the maximum rate permitted by law, the maximum rate permitted by law).

Section 7.04. Location of Equipment. Lessee shall notify Lessor of the location at or within which the Equipment is being or is to be regularly located or stored promptly upon acceptance and shall

thereafter inform Lessor of any change in that location. Lessee will notify Lessor in writing at any time the Equipment is stored, either serviceable or unserviceable, for a period longer than six (6) months.

Section 7.05. Modifications. Without the prior written consent of Lessor, which consent shall not be unreasonably withheld, Lessee shall not make any alterations, modifications, or attachments to the Equipment which cannot be removed without materially damaging the functional capabilities or economic value of the Equipment. Any alterations or modifications with respect to the Equipment that may, at any time during the term of this Agreement, be required to comply with any applicable law or any government rule or regulation, shall be made at the expense of the Lessee. Upon return of the Equipment, at Lessor's request, Lessee, at its sole cost and expense, will remove all alterations, additions and attachments and repair the Equipment as necessary to return the Equipment to the condition in which it was furnished, ordinary wear and tear excepted. Title to additions which are not removed by Lessee prior to the return of the Equipment to Lessor shall vest in Lessor upon such return.

ARTICLE VIII

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 8.01. Damage, Destruction and Condemnation. If prior to the termination of the Term (a) the Equipment or any portion thereof is destroyed (in whole or in part) or damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, then, provided the Equipment is not deemed a total loss, Lessee and Lessor shall cause the Net Proceeds of any insurance claim or condemnation award to be applied to the prompt replacement, repair or restoration of the Equipment. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee. In the event of total destruction of or damage to the Equipment, or the total take of title to the Equipment under the exercise of the power of eminent domain, Lessor and Lessee shall cause the Net Proceeds to be paid to Lessor for application against the Purchase Price applicable for the next succeeding Rental Payment due date plus a pro rata allocation of interest, at the rate utilized to establish the Rental Payments, from the due date of the immediately preceding Rental Payment with respect to which the Rental Payment due on such date has been paid until the date of the payment.

For purposes of Section 7.03 and this Article VIII, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including attorney's fees) incurred in the collection of such claim or award.

Section 8.02. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration or the Purchase Price referred to in Section 8.01 hereof, Lessee shall, at its option, either (a) complete the work and pay any cost in excess of the amount of the Net Proceeds (Lessee agrees that, if by reason of such insufficiency of the Net Proceeds, Lessee shall incur expenses it shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Article V hereof); or (b) pay to Lessor the amount by which the sum of the then applicable Purchase Price and accrued interest thereon exceeds the Net Proceeds (which

shall be retained by Lessor) and, upon such payment, the Term shall terminate and title to the Equipment shall be conveyed by Lessor to Lessee as provided in Article X of this Agreement.

ARTICLE IX

DISCLAIMER OF WARRANTIES: VENDOR'S WARRANTIES USE OF THE EQUIPMENT

Section 9.01. Disclaimer of Warranties. (a) LESSOR, NOT BEING A SELLER OF THE EQUIPMENT (AS SUCH TERM IS USED IN THE UNIFORM COMMERCIAL CODE AS ENACTED IN THE STATE) NOR A SELLER'S AGENT, HEREBY EXPRESSLY DISCLAIMS, AND MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE EQUIPMENT, OR ANY OTHER WARRANTY WITH RESPECT THERETO AND, AS TO LESSOR, LESSEE PURCHASES THE EQUIPMENT AS IS. In no event shall Lessor be liable for any loss or damage, including incidental, indirect, special or consequential damage, in connection with or arising out of this Agreement or the existence, furnishing, functioning or Lessee's use of the Equipment.

(b) Each execution of an Acceptance Certificate shall constitute an acknowledgment by (and as to (i) and (ii), a representation of) Lessee that with respect to this Agreement and the Lessor or its Assignees: (i) the Equipment is of a size, design, capacity and manufacture selected by Lessee; (ii) Lessee is satisfied that the Equipment is suitable for its purpose; (iii) Lessor is not a vendor or a manufacturer or dealer in property of such kind; and (iv) Lessor has disclaimed any representation or warranty or covenant as set forth in Section 9.01(a) above.

Section 9.02. Vendor's Warranties. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Term, so long as Lessee shall not be in default hereunder, for the purpose of asserting from time to time whatever claims and rights which Lessor may have against the Vendor, including warranty claims with respect to the Equipment, but for no other purpose whatsoever. Lessee's sole remedy for the breach of a warranty shall be against the Vendor of the Equipment, and not against Lessor, nor shall such matters have any effect whatsoever on this Agreement, including Lessee's obligation to make timely Rental Payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made, no representation or warranties whatsoever as to the existence or availability of such warranties from the Vendor of the Equipment.

Section 9.03. Use of the Equipment. Lessee will not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or regulations of the jurisdiction in which operation involving the Equipment may extend, including but not limited to Interchange Rules and those issued or promulgated by the United States Department of Transportation, Federal Railroad Administration, or Interstate Commerce Commission or in a manner contrary to that contemplated by this Agreement. Lessee shall obtain and maintain all permits and licenses necessary for the installation and operation of the Equipment.

ARTICLE X

CONSUMMATION OF PURCHASE

Section 10.01. Consummation of Purchase. At the request of Lessee, Lessor's interest in the Equipment will be transferred, conveyed and assigned permanently to Lessee and this Agreement shall terminate:

(a) at the end of the Term, upon payment in full of all Rental Payments due hereunder and all other sums required to be paid hereunder; or

(b) on any Rental Payment due date, upon payment by Purchaser of the Rental Payment due on such date, the then applicable Purchase Price as set forth in the Schedule of Payments, and all other sums required to be paid hereunder.

Upon the occurrence of either of the above, Lessor shall deliver to Lessee a confirmatory Bill of Sale transferring permanently its full remaining right, title and interest to the Equipment to Lessee free and clear of all liens and encumbrances created by or arising through Lessor, with special warranty and warranty of further assurances but without other warranties.

ARTICLE XI

ASSIGNMENT, SUBLEASING, INDEMNIFICATION
MORTGAGING AND SELLING

Section 11.01. Assignment by Lessor. This Agreement, Lessor's interest in the Equipment and right of Lessor to receive payments hereunder may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor at any time without the necessity of obtaining the consent of Lessee. However, no assignment or reassignment of any of Lessor's right, title or interest in this Agreement or the Equipment shall be effective unless and until Lessee shall have received a notice of assignment. Upon receipt of the notice described above, Lessee agrees to make all payments to the assignee designated in the assignment, and shall, if so requested, acknowledge the assignment in writing, but such acknowledgment shall in no way be deemed necessary to make the assignment effective. Lessee agrees to establish and maintain a book-entry record of ownership of this Agreement. Lessee agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements which may be reasonably requested by Lessor or its assignee to protect their interests in the Equipment and in this Agreement.

Section 11.02. Assignment and Subleasing by Lessee. This Agreement and the interest of Lessee in the Equipment may not be sold, leased, pledged, assigned or otherwise encumbered by Lessee for any reason without the express prior written consent of Lessor.

Section 11.03. Release and Indemnification Covenants. Lessee shall, to the extent permitted by applicable law, indemnify, protect, hold harmless, save and keep harmless Lessor from and against any and all liabilities obligations, losses, claims and damages whatsoever, regardless of cause thereof, and expenses

in connection therewith, including, without limitation, counsel fees and expense, penalties and interest arising out of or as the result of the Equipment, including the ownership of any item of the Equipment, the ordering, acquisition, manufacture, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Equipment or any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury or death to any person, unless the loss shall have been caused by the acts or omissions of Lessor, its officers, employees or agents. The indemnification obligation arising hereunder shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Term for any reason.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES

Section 12.01. Events of Default Defined. The following shall be "events of default" under this Agreement and the terms "event of default" and "default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

- (a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time and manner specified herein; or
- (b) Failure by Lessee to observe and perform any other covenant, condition or agreement on its part to be observed or performed, hereunder for a period of thirty (30) days after written notice to Lessee by Lessor, specifying such failure and requesting that it be remedied, unless Lessor shall agree in writing to an extension of such time prior to its expiration; or
- (c) Any certificate, statement, representation, warranty or audit contained herein or heretofore or hereafter furnished with respect hereto by or on behalf of Lessee proving to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or having omitted any substantial contingent or unliquidated liability or claim against Lessee; or
- (d) Commencement by Lessee of a case or proceeding under the Federal bankruptcy laws or filing by Lessee of any petition or answer seeking reorganization, arrangement, composition, readjustment, liquidation, moratorium or similar relief under any existing or future bankruptcy, insolvency or other similar laws, the filing by Lessee of an answer admitting or not contesting the material allegations of a petition filed against Lessee in any such proceeding, or the failure to file an answer to such a petition with forty-five (45) days from the filing thereof.
- (e) Non-appropriation of funds by the Lessee under Section 5.06 shall not constitute an event of default.

Section 12.02. Remedies on Default. Whenever any event of default referred to in Section 12.01 hereof shall have happened and be continuing, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

(a) By written notice to Lessee, declare an amount equal to the Purchase Price applicable to the immediately preceding Rental Payment due date with respect to which the Rental Payment due on such date has been paid, as set forth in the Schedule of Payments, immediately due and payable;

(b) With or without terminating this Agreement, retake possession of the Equipment and sell, lease, or sublease it, or any item thereof, for the account of Lessee, holding Lessee liable for (i) all payments due up to the effective date of such selling, leasing, or subleasing; and (ii) the difference, if any, between the purchase price, rental and other amounts paid by the lessee or sublessee pursuant to such sale, lease or sublease and all amounts payable by Lessee hereunder, including the Purchase Price applicable to the immediately preceding Rental Payment due date with respect to which the Rental Payment due on such date has been paid, provided that so long as Lessee has returned the Equipment in accordance with the terms hereof, in no event shall Lessee's monetary liability hereunder exceed the aggregate amount of unpaid Rental Payments due in the fiscal year of Lessee in which the default occurs;

(c) Require Lessee to (i) store the Equipment for a period of 180 days in an area that is safe and secure at Lessee's sole risk, cost and expense and (ii) deliver the Equipment to Lessor to such location on a connecting active railroad line within the continental United States designated by Lessor at Lessee's sole risk, cost and expense and in the condition required by Section 7.01 hereof; or

(d) Take whatever other action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of Lessee under this Agreement.

In addition, Lessee will remain liable for all legal fees and other costs and expenses, including court costs, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor.

Section 12.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE XIII

TAX INDEMNIFICATION

Section 13.01. Covenants. The parties assume that Lessor can exclude the interest component of the Rental Payments from Federal gross income. Lessee covenants and agrees that it will (i) rebate an amount equal to excess earnings on the Escrow Fund to the Federal Government if required by, and in accordance with, Section 148(f) of the Code, and make the annual determinations, and maintain the records required by and otherwise comply with the regulations applicable thereto; (ii) use a book entry system to register the owner of this Agreement so as to meet the applicable requirements of Section 149(a)(3) of the

Code; (iii) timely file a Form 8038-G (or, if the invoice price of the Equipment is less than \$100,000, a Form 8038-GC) with the Internal Revenue Service in accordance with Section 149(e) of the Code; (iv) not permit the Equipment to be directly or indirectly used for a private business use within the meaning of Section 141 of the Code; and (v) comply with all provisions and regulations applicable to excluding interest from Federal gross income pursuant to Section 103 of the Code.

Section 13.02. Indemnification. If Lessor either (i) receives notice, in any form, from the Internal Revenue Service; or (ii) reasonably determines, based on an opinion of independent tax counsel selected by Lessor and approved by Lessee, which approval Lessee shall not unreasonably withhold; that Lessor may not exclude any interest paid hereunder from Federal gross income because Lessee breached a covenant contained herein, then Lessee shall pay to Lessor, within thirty (30) days after Lessor notifies Lessee of such determination, an amount which will restore to Lessor its after-tax yield (assuming tax at the highest marginal tax rate and taking into account the time of receipt of payments and reinvestment at the after-tax yield rate) on the transaction evidenced by this Agreement through the date of such payment. Additionally, Lessee agrees that upon the occurrence of such an event, it shall pay additional rent to Lessor on each succeeding Rental Payment due date in such amount as will maintain such after-tax yield to Lessor.

ARTICLE XIV

MISCELLANEOUS

Section 14.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at the addresses set forth on the signature page hereof.

Section 14.02. Binding Effect. This Agreement shall inure to the benefit of, and shall be binding upon, Lessor and Lessee and their respective successors and assigns.

Section 14.03. Severability/Survival. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. The obligations of Lessee under Section 5.07, 7.02, 11.03 and 13.02 which accrue during the Term shall survive termination of this Agreement.

Section 14.04. Amendments, Changes and Modifications. This Agreement may be amended only by written agreement of Lessor and Lessee.

Section 14.05. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14.06. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

Section 14.07. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 14.08. Waiver. No covenant or condition of this Agreement can be waived except by the written consent of Lessor. Any failure of Lessor to require strict performance by Lessee or any waiver by Lessor of any terms, covenants or agreements herein shall not be construed as a waiver of any other breach of the same or any other term, covenant or agreement herein.

Section 14.09. Entire Agreement. This Agreement, together with the documents attached hereto and other agreements referred to herein, constitutes the entire agreement between the parties.

Section 14.10. Time. Time is of the essence of this Agreement.

IN WITNESS WHEREOF, Lessor has executed this Agreement in its corporate name with its corporate seal hereunto affixed and attested by its duly authorized officers, and Lessee has caused this Agreement to be executed in its corporate name with its corporate seal hereunto affixed. All of the above occurred as of the date first above written.

ATTEST:

LESSOR: **Signet Leasing and
Financial Corporation**
P.O. Box 2373
Baltimore, Maryland 21203
Attn: Laurie L. Zissimos
Senior Vice President
T0506

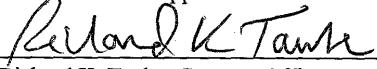
By: 

By:  (SEAL)

LESSEE: Northern Virginia Transportation District Commission
4350 North Fairfax Drive, Suite 720
Arlington, Virginia 22203

By:  (SEAL)
Richard K. Taube, Executive Director

LESSEE: Potomac and Rappahannock District Commission

By:  (SEAL)
Richard K. Taube, Contract Officer

STATE OF MARYLAND
CITY/COUNTY OF BALTIMORE CITY, TO WIT:

I HEREBY CERTIFY that on this 8th day of April, 1994, before, the undersigned Notary Public of said State, personally appeared Laurie L. Zissimos, who acknowledged herself to be a Senior Vice President of Signet Leasing and Financial Corporation, a Maryland corporation, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that she executed the same for the purposes therein contained as a duly authorized Senior Vice President of Signet Leasing and Financial Corporation by signing the name of Signet Leasing and Financial Corporation by herself as Senior Vice President.

WITNESS my hand and Notarial Seal.

Georgia DiTella
Notary Public
My commission expires 7/1/94

STATE OF VIRGINIA
CITY/COUNTY OF ARLINGTON

The foregoing instrument was acknowledged before me this 5th day of April, 1994, by Richard K. Taube as Executive Director of Northern Virginia Transportation District Commission, a ~~BODY CORPORATE AND POLITICAL~~ THE COMMON WEALTH OF VIRGINIA, on behalf of the Commission.

My commission expires: 8-31-94

[SEAL]

James H. H.
Notary Public

STATE OF VIRGINIA
CITY/COUNTY OF ARLINGTON

The foregoing instrument was acknowledged before me this 5th day of April, 1994, by Richard K. Taube as Contract Officer of Potomac and Rappahannock District Commission, a ~~BODY CORPORATE AND POLITICAL~~ OF THE COMMON WEALTH OF VIRGINIA, on behalf of the Commission

My commission expires: 8-31-94

[SEAL]

James H. H.
Notary Public

[\$10,000,000 Small Issuer]

RIDER NO. 1

Attached to and made a part of that certain Master Equipment Lease/Purchase Agreement (the "Agreement") dated as of April 8, 1994, by and between Signet Leasing and Financial Corporation, as Lessor, and Northern Virginia Transportation District Commission ("NVTC") and Potomac and Rappahannock Transportation District Commission ("PRTC"), as Lessee.

1. Neither NVTC or PRTC has issued, and NVTC and PRTC each reasonably anticipates that it and its subordinate entities will not issue, tax-exempt obligations (including the Agreement) in the amount of more than \$10,000,000 during the current calendar year; hereby designates the Agreement as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); and agrees that it and its subordinate entities will not designate more than \$10,000,000 of their obligations as "qualified tax-exempt obligations" during the current calendar year.

2. The parties assume and intend that the Agreement will qualify as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Code. In the event that Lessor either (i) receives notice from the Internal Revenue Service; or (ii) reasonably determines, based on an opinion of independent tax counsel selected by Lessor and approved by Lessee, which approval Lessee shall not unreasonably withhold, that the otherwise applicable exception set forth in Section 265(b)(3) of the Code is not available, then Lessee shall pay to Lessor within thirty (30) days after receiving notice from Lessor of such event, the amount which, with respect to rental payments previously paid, will restore the after-tax yield (assuming tax at the highest marginal tax rate and taking into account the time of receipt of payment and reinvestment at the after-tax yield rate on the transaction evidenced by the Agreement to that which it would have been had such exception been available), and pay as additional rent on succeeding rent payment due dates such amount as will maintain such after-tax yield.

3. The obligations of Lessee hereinafter which accrue during the term of the Agreement shall survive termination of the Agreement.

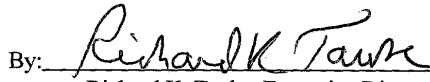
4. The parties agree that this Rider is an integral part of the Agreement.

DATE: April 8, 1994

Signet Leasing and Financial
Corporation
LESSOR

By: 

Northern Virginia Transportation District Commission
LESSEE

By: 
Richard K. Taube, Executive Director

Potomac and Rappahannock Transportation District Commission
LESSEE

By: 
Richard K. Taube, Contract Officer

SCHEDULE OF PAYMENTS

(Non-Escrow Funded)

Pertaining to that certain Acceptance Certificate No. 1 entered into pursuant to that certain Master Equipment Lease/Purchase Agreement dated April 8, 1994 (the "Agreement"), between Signet Leasing and Financial Corporation ("Lessor") and the Northern Virginia Transportation District Commission and Potomac and Rappahannock Transportation District Commission (collectively, the "Lessee"). All terms not defined herein have their meanings described in the Agreement.

A. RENTAL PAYMENTS, TERM, TRANSPORTATION AND DELIVERY COSTS.

As set forth on the Amortization Schedule attached hereto and made a part hereof, the Rental Payments required under the Agreement for the Equipment described on the Equipment List attached to and made a part of Acceptance Certificate No. 1 are \$ 26,829.94 per month in arrears, for a term of one hundred twenty (120) months. A portion of each Rental Payment is paid as and represents payment of interest as set forth on the Amortization Schedule. Lessee agrees to and shall pay all transportation and/or delivery costs, if any.

B. LATE PAYMENTS.

There will be a late charge to the Lessee of 2% of the delinquent amount per month, or the highest legal rate allowed if less, on the amount of any Rental Payment which remains unpaid for ten (10) days after the due date, which charge Lessee agrees to pay if applicable.

C. BUDGETARY PERIOD.

Lessee's budgetary period is from July 1 to June 30.

THE TERMS GOVERNING THIS SCHEDULE OF PAYMENTS ARE CONTAINED IN THE AGREEMENT REFERENCED ABOVE AND APPLY WITH THE SAME FORCE AND EFFECT AS IF SET FORTH FULLY HEREIN.

LESSOR:

Signet Leasing and Financial
Corporation

By: [Signature]

Title: Senior Vice Pres

Date: April 8, 1994

LESSEE:

Northern Virginia Transportation
District Commission

By: [Signature]

Richard K. Taube

Title: Executive Director

Date: April 8, 1994

LESSEE:

Potomac and Rappahannock Transportation
District Commission

By: Richard K. Taube
Richard K. Taube

Title: Contract Officer

Date: April 8, 1994

N.V.T.C.

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Compounding period...: Monthly

Nominal annual rate...: 6.153 %
 Effective annual rate: 6.330 %
 Periodic rate.....: 0.5128 %
 Equivalent daily rate: 0.01686 %

CASH FLOW DATA

Event	Date	Amount	#	Period	End-date
1 Loan	04-08-94	2,400,000.00	1		
2 Payment	05-08-94	26,829.94	120	Monthly	04-08-04

AMORTIZATION SCHEDULE - Normal amortization

Pmt	Date	Payment	Interest	Principal	Purchase Option Amount
Loan	04-08-1994				2,529,562.97
1	05-08-1994	26,829.94	12,306.40	14,523.54	2,513,272.88
2	06-08-1994	26,829.94	12,231.93	14,598.01	2,496,914.91
3	07-08-1994	26,829.94	12,157.07	14,672.87	2,480,488.78
4	08-08-1994	26,829.94	12,081.84	14,748.10	2,463,994.21
5	09-08-1994	26,829.94	12,006.21	14,823.73	2,447,430.91
6	10-08-1994	26,829.94	11,930.20	14,899.74	2,430,798.60
7	11-08-1994	26,829.94	11,853.80	14,976.14	2,414,096.99
8	12-08-1994	26,829.94	11,777.01	15,052.93	2,397,325.79
1994	totals	214,639.52	96,344.46	118,295.06	
9	01-08-1995	26,829.94	11,699.82	15,130.12	2,380,484.71
10	02-08-1995	26,829.94	11,622.24	15,207.70	2,363,573.46
11	03-08-1995	26,829.94	11,544.26	15,285.68	2,346,591.74
12	04-08-1995	26,829.94	11,465.88	15,364.06	2,329,539.27
13	05-08-1995	26,829.94	11,387.10	15,442.84	2,312,415.74
14	06-08-1995	26,829.94	11,307.91	15,522.03	2,295,220.87
15	07-08-1995	26,829.94	11,228.32	15,601.62	2,277,954.35
16	08-08-1995	26,829.94	11,148.32	15,681.62	2,260,615.89
17	09-08-1995	26,829.94	11,067.91	15,762.03	2,243,205.18
18	10-08-1995	26,829.94	10,987.09	15,842.85	2,225,721.93
19	11-08-1995	26,829.94	10,905.85	15,924.09	2,208,165.83
20	12-08-1995	26,829.94	10,824.20	16,005.74	2,190,536.58
1995	totals	321,959.28	135,188.90	186,770.38	
21	01-08-1996	26,829.94	10,742.13	16,087.81	2,172,833.88
22	02-08-1996	26,829.94	10,659.63	16,170.31	2,155,057.41
23	03-08-1996	26,829.94	10,576.72	16,253.22	2,137,206.88
24	04-08-1996	26,829.94	10,493.38	16,336.56	2,119,281.97
25	05-08-1996	26,829.94	10,409.61	16,420.33	2,101,282.37
26	06-08-1996	26,829.94	10,325.41	16,504.53	2,083,207.77
27	07-08-1996	26,829.94	10,240.78	16,589.16	2,065,057.86
28	08-08-1996	26,829.94	10,155.72	16,674.22	2,046,832.33
29	09-08-1996	26,829.94	10,070.22	16,759.72	2,028,530.86

N.V.T.C.

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Pmt	Date	Payment	Interest	Principal	Purchase Option Amount
30	10-08-1996	26,829.94	9,984.28	16,845.66	2,010,153.13
31	11-08-1996	26,829.94	9,897.90	16,932.04	1,991,698.83
32	12-08-1996	26,829.94	9,811.08	17,018.86	1,973,167.64
1996	totals	321,959.28	123,366.86	198,592.42	
33	01-08-1997	26,829.94	9,723.81	17,106.13	1,954,559.23
34	02-08-1997	26,829.94	9,636.10	17,193.84	1,935,873.29
35	03-08-1997	26,829.94	9,547.93	17,282.01	1,917,109.49
36	04-08-1997	26,829.94	9,459.32	17,370.62	1,898,267.51
37	05-08-1997	26,829.94	9,370.24	17,459.70	1,879,347.02
38	06-08-1997	26,829.94	9,280.72	17,549.22	1,860,347.69
39	07-08-1997	26,829.94	9,190.73	17,639.21	1,841,269.20
40	08-08-1997	26,829.94	9,100.28	17,729.66	1,822,111.22
41	09-08-1997	26,829.94	9,009.37	17,820.57	1,802,873.41
42	10-08-1997	26,829.94	8,917.99	17,911.95	1,783,555.44
43	11-08-1997	26,829.94	8,826.15	18,003.79	1,764,156.98
44	12-08-1997	26,829.94	8,733.83	18,096.11	1,744,677.69
1997	totals	321,959.28	110,796.47	211,162.81	
45	01-08-1998	26,829.94	8,641.04	18,188.90	1,725,117.24
46	02-08-1998	26,829.94	8,547.77	18,282.17	1,705,475.29
47	03-08-1998	26,829.94	8,454.03	18,375.91	1,685,751.50
48	04-08-1998	26,829.94	8,359.80	18,470.14	1,665,945.52
49	05-08-1998	26,829.94	8,265.09	18,564.85	1,646,057.02
50	06-08-1998	26,829.94	8,169.90	18,660.04	1,626,085.65
51	07-08-1998	26,829.94	8,074.22	18,755.72	1,606,031.07
52	08-08-1998	26,829.94	7,978.04	18,851.90	1,585,892.93
53	09-08-1998	26,829.94	7,881.38	18,948.56	1,565,670.88
54	10-08-1998	26,829.94	7,784.21	19,045.73	1,545,364.57
55	11-08-1998	26,829.94	7,686.55	19,143.39	1,524,973.65
56	12-08-1998	26,829.94	7,588.39	19,241.55	1,504,497.77
1998	totals	321,959.28	97,430.42	224,528.86	
57	01-08-1999	26,829.94	7,489.73	19,340.21	1,483,936.57
58	02-08-1999	26,829.94	7,390.56	19,439.38	1,463,289.70
59	03-08-1999	26,829.94	7,290.88	19,539.06	1,442,556.80
60	04-08-1999	26,829.94	7,190.69	19,639.25	1,421,737.51
61	05-08-1999	26,829.94	7,089.99	19,739.95	1,400,831.48
62	06-08-1999	26,829.94	6,988.77	19,841.17	1,379,838.34
63	07-08-1999	26,829.94	6,887.03	19,942.91	1,358,757.73
64	08-08-1999	26,829.94	6,784.77	20,045.17	1,337,589.28
65	09-08-1999	26,829.94	6,681.98	20,147.96	1,316,332.63
66	10-08-1999	26,829.94	6,578.67	20,251.27	1,294,987.41
67	11-08-1999	26,829.94	6,474.83	20,355.11	1,273,553.25
68	12-08-1999	26,829.94	6,370.45	20,459.49	1,252,029.78
1999	totals	321,959.28	83,218.35	238,740.93	
69	01-08-2000	26,829.94	6,265.54	20,564.40	1,230,416.63
70	02-08-2000	26,829.94	6,160.10	20,669.84	1,208,713.43

N.V.T.C.

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Pmt	Date	Payment	Interest	Principal	Purchase Option Amount
71	03-08-2000	26,829.94	6,054.11	20,775.83	1,186,919.80
72	04-08-2000	26,829.94	5,947.58	20,882.36	1,165,035.36
73	05-08-2000	26,829.94	5,840.50	20,989.44	1,143,059.73
74	06-08-2000	26,829.94	5,732.87	21,097.07	1,120,992.54
75	07-08-2000	26,829.94	5,624.69	21,205.25	1,098,833.40
76	08-08-2000	26,829.94	5,515.96	21,313.98	1,076,581.93
77	09-08-2000	26,829.94	5,406.67	21,423.27	1,054,237.75
78	10-08-2000	26,829.94	5,296.82	21,533.12	1,031,800.47
79	11-08-2000	26,829.94	5,186.40	21,643.54	1,009,269.70
80	12-08-2000	26,829.94	5,075.42	21,754.52	986,645.05
2000	totals	321,959.28	68,106.66	253,852.62	
81	01-08-2001	26,829.94	4,963.87	21,866.07	963,926.13
82	02-08-2001	26,829.94	4,851.75	21,978.19	941,112.55
83	03-08-2001	26,829.94	4,739.05	22,090.89	918,203.91
84	04-08-2001	26,829.94	4,625.78	22,204.16	895,199.82
85	05-08-2001	26,829.94	4,511.92	22,318.02	872,099.88
86	06-08-2001	26,829.94	4,397.48	22,432.46	848,903.69
87	07-08-2001	26,829.94	4,282.46	22,547.48	825,610.85
88	08-08-2001	26,829.94	4,166.84	22,663.10	802,220.96
89	09-08-2001	26,829.94	4,050.63	22,779.31	778,733.61
90	10-08-2001	26,829.94	3,933.83	22,896.11	755,148.39
91	11-08-2001	26,829.94	3,816.43	23,013.51	731,464.90
92	12-08-2001	26,829.94	3,698.42	23,131.52	707,682.73
2001	totals	321,959.28	52,038.46	269,920.82	
93	01-08-2002	26,829.94	3,579.81	23,250.13	683,801.47
94	02-08-2002	26,829.94	3,460.59	23,369.35	659,820.70
95	03-08-2002	26,829.94	3,340.76	23,489.18	635,740.01
96	04-08-2002	26,829.94	3,220.32	23,609.62	611,558.99
97	05-08-2002	26,829.94	3,099.25	23,730.69	587,277.21
98	06-08-2002	26,829.94	2,977.57	23,852.37	562,894.26
99	07-08-2002	26,829.94	2,855.26	23,974.68	538,409.71
100	08-08-2002	26,829.94	2,732.33	24,097.61	513,823.14
101	09-08-2002	26,829.94	2,608.76	24,221.18	489,134.13
102	10-08-2002	26,829.94	2,484.57	24,345.37	464,342.25
103	11-08-2002	26,829.94	2,359.73	24,470.21	439,447.07
104	12-08-2002	26,829.94	2,234.26	24,595.68	414,448.16
2002	totals	321,959.28	34,953.21	287,006.07	
105	01-08-2003	26,829.94	2,108.14	24,721.80	389,345.09
106	02-08-2003	26,829.94	1,981.37	24,848.57	364,137.42
107	03-08-2003	26,829.94	1,853.96	24,975.98	338,824.72
108	04-08-2003	26,829.94	1,725.89	25,104.05	313,406.55
109	05-08-2003	26,829.94	1,597.16	25,232.78	287,882.47
110	06-08-2003	26,829.94	1,467.78	25,362.16	262,252.04
111	07-08-2003	26,829.94	1,337.73	25,492.21	236,514.82
112	08-08-2003	26,829.94	1,207.01	25,622.93	210,670.36
113	09-08-2003	26,829.94	1,075.63	25,754.31	184,718.21

N.V.T.C.

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Pmt	Date	Payment	Interest	Principal	Purchase Option Amount
114	10-08-2003	26,829.94	943.57	25,886.37	158,657.93
115	11-08-2003	26,829.94	810.83	26,019.11	132,489.06
116	12-08-2003	26,829.94	677.41	26,152.53	106,211.16
2003	totals	321,959.28	16,786.48	305,172.80	
117	01-08-2004	26,829.94	543.31	26,286.63	79,823.77
118	02-08-2004	26,829.94	408.52	26,421.42	53,326.43
119	03-08-2004	26,829.94	273.04	26,556.90	26,718.68
120	04-08-2004	26,829.94	137.66	26,692.28	0.00
2004	totals	107,319.76	1,362.53	105,957.23	
Grand totals		3,219,592.80	819,592.80	2,400,000.00	

LESSEE INITIAL:

RUT

ACCEPTANCE CERTIFICATE

NO. 1

(Non-Escrow Funded)

THIS ACCEPTANCE CERTIFICATE is issued pursuant to that certain Master Equipment Lease/Purchase Agreement dated as of April 8, 1994 (the "Agreement") between Signet Leasing and Financial Corporation ("Lessor") and the Northern Virginia Transportation District Commission and the Potomac and Rappahannock Transportation District Commission (collective, the "Lessee"). All terms not defined herein shall have their meanings described in the Agreement.

1. The undersigned, as Lessee under the Agreement, acknowledges delivery, installation and receipt in good condition, and hereby accepts, all of the Equipment described on the attached Equipment List this 8th day of April, 1994.

2. A present need exists for the Equipment which need is not temporary or expected to diminish in the near future. The Equipment is essential to and will be used by Lessee only for the purpose of performing one or more governmental functions of Lessee consistent with the permissible scope of Lessee's authority.

3. Lessee confirms that it will make all Rental Payments set forth on the Schedule of Payments attached hereto as required by and in accordance with Article V of the Agreement subject to annual appropriation. Lessee confirms that sufficient funds have been appropriated to make all Rental Payments due during its current fiscal year and expects and anticipates that sufficient funds will be available to make all Rental Payments due in subsequent years.

4. The Equipment is covered by insurance in the types and amounts required by the Agreement and is located at the location set forth in the attached Equipment List.


5. Attached are (a) true and complete copies of all invoices with respect to which payment is being sought; (b) financing statements and/or lien certificates evidencing Lessor's security interest in the equipment as necessary or appropriate; and, (c) if an invoice has been previously paid by Lessee and Lessee is seeking reimbursement for such payment, evidence of such payment by Lessee and evidence of compliance with Treasury Regulation 1.150-2 in accordance with the Non Arbitrage Certificate and Tax Compliance Agreement of the Lessee dated as of the date of the Agreement.

6. No event of default, as such term is defined in the Agreement, and no event which with the giving of notice of lapse of time, or both, would become an event of default, has occurred and is continuing on the date hereof.

7. Lessee hereby authorizes and directs Lessor to fund the acquisition cost of the Equipment by transferring on behalf of Lessee \$2,400,000.00 to Central Fidelity Bank, Richmond, Virginia, to reimburse Lessee for its previous payment of the acquisition cost of the Equipment on behalf of Lessee.


Lessee certifies that upon such payment, Lessor will have fully and satisfactorily performed all of its covenants and obligations under the Agreement with respect to the Equipment other than its covenant of quiet enjoyment.

ATTEST/WITNESS:

By: 

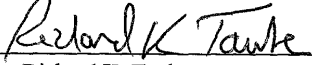
Title: Controller, NVTC

LESSEE: Northern Virginia Transportation
District Commission

By: 
Richard K. Taube

Title: Executive Director

LESSEE: Potomac and Rappahannock Transportation
District Commission

By: 
Richard K. Taube

Title: Contract Officer

EQUIPMENT LIST

Attached to and made a part of
Acceptance Certificate No. 1

<u>QUANTITY</u>	<u>MODEL</u> <u>MFG.</u>	<u>BUILDER</u> <u>NO.</u>	<u>UNIT</u> <u>TYPE</u>	<u>NO.</u>
1	Locomotive*	65001	RP40-2C	V20
1	Locomotive*	65002	RP40-2C	V21

* Two (2) rebuilt 3,000 horsepower Electromotive Division of General Motors Corporation (which have been rebuilt by Morrison Knudson Corporation and designated thereby as the Model GP40PH-2), both bearing the identifying mark: "Virginia Railway Express".

LOCATIONS(S): Ivy City Shop Facilities
National Rail Passenger Corporation (AMTRAK)
Washington, D. C. 20018